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SUBJECT: JERUSALEM MEDIA REACTION (08/20): Egypt continues to work with Palestinian factions for national reconciliation

Main Stories:

Al-Quds front pages news citing Government of Israel sources denying an earlier announcement by Prime Minister Benjamin Netanyahu that the GOI would not be issuing any new tenders for settlement construction until early 2010. Al-Hayat Al-Jadida reports that the GOI is planning to revive a dormant construction project of 450 housing units in the Pisgat Ze'ev settlement in East Jerusalem, quoting Israeli Minister of Strategic Affairs and Vice Premier Moshe Yaalon saying that construction will continue and that he "isn't afraid of the Americans." Netanyahu is quoted in Al-Ayyam criticizing and rejecting Yaalon's statements.

All dailies front page news on Palestinian Authority (PA) President Mahmoud Abbas's trip to Sudan and his meeting with Sudanese President Omar Al-Bashir in Khartoum on August 19. Abbas noted to the press that the PA is determined to support the national dialogue with Hamas and end the state of division. He said that his trip to Sudan is to discuss regional developments and to coordinate Arab efforts to move the peace process forward.

The local press continues to report on the Egyptian delegation which visited the West Bank to meet with Palestinian factions in preparation for the next round of the national reconciliation dialogue scheduled for August 25 in Cairo. Before departing for Syria on August 19, the delegation received assurances that all factions are committed to supporting the dialogue and reconciliation efforts.

Al-Quds runs inside coverage on General Paul Selva's visit to the Nablus Chamber of Commerce and Industry on August 19. General Selva met with a number of dignitaries and was briefed about the economicQd political situation in the governorate and the consequences of continued Israeli restrictions on Palestinian trade and industry.

BLOCK QUOTES:

1) Talal Okal opines in Al-Ayyam independent daily under the title, "The Palestinian dialogue, new dimensions" (08/20): "In preparation for the next round of national reconciliation talks, there is still 1 an extreme lack of confidence between Hamas and Fatah, a deep gap that is nurtured by the incitement and accusations from each party ... In continuing its support of the dialogue, Egypt must realize that there is still a long way to go until Palestinian unity can be attained. The Egyptian role must be intensified to bridge the gaps prior to announcing signs of progress."

2) Omar Hilmi Al-Ghoul opines in Al-Hayat Al-Jadida official daily under the title "What is Netanyahu's response to Mubarak?" (08/20): "President Mubarak noted that the Arab states are ready to accept any peace settlement that would end the conflict in the region. However, the Israeli government and Prime Minister Netanyahu are not only determined to reject any freeze in settlement activity, but continue to provide the financial resources to support the continued construction. This makes any peace agreement almost impossible."

WALLES